

ASX & MEDIA RELEASE

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INTRA ENERGY LIFTS SALES AND PRODUCTION, TREND LIKELY TO CONTINUE

Tanzanian based coal miner, Intra Energy Corporation Limited (ASX: IEC), has increased sales and production for the December quarter and sees these trends continuing.

Compared to the previous corresponding quarter in December 2015, sales are up 42.3 per cent to 104,104 tonnes and coal production is up 8.4 per cent to 96,708 tonnes.

A contributing factor to this is the Tanzanian government banning coal imports in August 2016 and with the government also encouraging higher production to meet local cement industry demand, IEC expects continuing higher volumes.

IEC's coal resource is owned by Tancoal Energy Limited, 70 per cent owned by IEC and 30 per cent by the National Development Corporation of Tanzania, and located in the Ngaka coalfield in the west of the country.

Tancoal has a JORC resource of 423 million tonnes which is open-ended and of which 110 million tonnes are a mineable reserve in the process of becoming JORC accredited.

In November 2015, IEC signed a memorandum of understanding with SINOHYDRO Corporation Limited to assess the feasibility of a 270MW coal-fired power station which would be located adjacent to the Tancoal mining area.

The feasibility study was completed positively during the quarter and the parties are waiting to commence power purchase agreement negotiations with the Government, with the power station expected to consume 1.25 million tonnes of coal a year.

This would contribute to ongoing Tanzanian demand for coal, with IEC also developing its sales program into neighbouring countries, especially Rwanda and Kenya.

According to Chairman of IEC, Graeme Robertson, the potential for higher volumes of production and sales was encouraging for the future of IEC.

"While there are higher costs involved in increasing production with larger equipment, we expect high sales and production will begin to have positive financial effects for IEC in 2017," Mr Robertson said.

In the December quarter, 77.5 per cent of IEC's coal sales were in Tanzania, 11.7 percent to Rwanda and 10.8 per cent to Kenya.

ISSUED FOR: **INTRA ENERGY CORPORATION LIMITED – ASX: IEC - www.intraenergycorp.com.au**

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ABOUT INTRA ENERGY (IEC)

Intra Energy is a diversified mining and energy group, focused on Eastern Africa. IEC is a developer and producer of thermal coal in Eastern Africa operating under the motto of "African coal for African growth" and is the only operating thermal coal miner in Eastern Africa. Its flagship coal project is the Tancoal mine in the Ngaka coalfield of Tanzania, operated by Tancoal Energy Limited, a joint venture with the National Development Corporation of Tanzania. Intra Energy has made significant progress with its Eastern African regional expansion strategy into new mining and renewable energy projects and battery storage materials, and maintains cost effective and efficient operations to remain a low cost producer in a dynamically growing region where it occupies the prime supply position.